GOVERNMENT OF ANDHRA PRADESH
WATER RESOURCES DEPARTMENT

WATER RESOURCES DEPARTMENT – Andhra Pradesh Rayalaseema Drought Mitigation Projects Development Corporation Limited (APRDMPDCL) - M/s REC and M/s.PFC Ltd sanctioned loan amount of Rs.2,192 crores for execution of Electro-Mechanical Works & Transmission Works and associated Civil Works in Rayalaseema Lift Scheme (RLS) – Government guarantees furnished - Orders - Issued.

WATER RESOURCES (PROJ-III) DEPARTMENT

G.O.Ms.No.31 Dated:29-03-2023

Read the following:

1. From the Chief Program Manager, REC Ltd., Lr.No.REC/RO/VIJ/APRDMPDCL/21-22/D.No:727, dt.21.09.2021
2. From the Chief Program Manager, PFC Lr No. 03/22/AP/WIID/Vol-I, dated 10.09.2021
3. From the Chairman & Managing Director, APRDMPDCL Lr.No.2023/ WRD/AP/3, dt.15-3-2023 and 19-3-2023
4. From M/s.REC & PFC Ltd Lr.No.REC/RO/VIJ/APRDMPDCL/22-23/115, dt.23-3-2023.

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ORDER:

In the reference 1st read above, the REC Ltd.have sanctioned an amount of Rs.4,245.785 Crores to Andhra Pradesh Rayalaseema Drought Mitigation Projects Development Corporation Limited (APRDMPDCL) with the interest as 10.75% p.a. on 1st year reset and monthly rests basis, for execution of Electro-Mechanical Works & Transmission works (Substations and Lines) and associated Civil Works of Rayalaseema Drought Mitigation Scheme consisting of (20) projects.

2. In the reference 2nd read above, the PFC Ltd.have sanctioned an amount of Rs.6991.785 Crores to Andhra Pradesh Rayalaseema Drought Mitigation Projects Development Corporation Limited (APRDMPDCL) with the interest as 10.75% p.a. on 1st year reset and monthly rests basis, for execution of Electro-Mechanical Works & Transmission works (Sub stations and Lines) and associated Civil Works of Rayalaseema Drought Mitigation Scheme consisting of (20) projects.

3. In the reference 3rd read above, the Chairman & Managing Director, APRDMPDCL has informed REC Limited that RLS is a

stand alone project under RDMS, is self –sustained with respect to revenues (with anticipated revenue of - 682 crore/annum) and the loan repayment from the proposed accruals is provisioned. However, state guarantee required for the disbursed amount for RLS will be provided as proposed.

4. In the reference 4th read above, the Chief Program Manager, REC Limited have informed that, out of (20) Nos.of schemes under A.P.Rayalaseema Drought Mitigation Scheme, one of the scheme namely Rayalaseema Lift Scheme having total project cost of Rs.3825 Crores (inclusive of civil component) wherein REC & PFC has sanctioned Rs.828.01 Crores and Rs.1363.52 Crores (totaling to Rs.2191.53 crores) respectively towards EM&HM works.

5. Government after careful examination hereby extend the Government Guarantee for the loan of Rs.2,191.53 Crores (Rs.828.01 Cr to M/s.REC Ltd and Rs.1363.52 Cr.to M/s.PFC Ltd.) along with provision of interest on the loan for execution of Electro Mechanical Works & Transmission works (Sub stations and Lines) and associated Civil Works of Rayalaseema Lift Scheme (RLS) under Rayalaseema Drought Mitigation Scheme subject to following conditions:-

i) The Government Guarantee is to be utilized / drawn within a period of Two years from the date of issue of orders.
ii) The Guarantee will be valid for the entire tenure of the loan period.
iii) The Guarantee is extended only for the Principal part for the tenure of the loan.
iv) Submission of repayment schedule of Principal and Interest along with the details such as interest rate, tenure, moratorium period and the Guarantee Commission Challan at the time of Guarantee Deed Signing by the APRDMPDCL.
v) The Guarantee shall come into force in the event of failure to pay the obligations to the lending institution by the Corporation.
vi) The deed shall not be valid, unless it is signed by the authorized officer of the Water Resources Department, Government of Andhra Pradesh.
vii) The interest rate shall be 10.75% p.a. on monthly rests during the construction period and post completion respectively, as per sanction letter.
viii) The applicable interest rate is based on credit rating of APRDMPDCL. At present it will be about of 10.75%.

However, if the credit rating improves, there will be corresponding reduction in the interest rate.

ix) The APRDMPDCL with its own resources shall invest the entire equity towards RLS in proportion to debt:equity ratio of 70:30 and the debt service obligations for the entire tenure of Loan period.

x) In case of any shortfall, budgetary provision shall be made by the State Government to meet the gap in equity infusion and debt service obligations (repayment of Principal and Interest) during repayment.

6. The Chairman & Managing Director, APRDMPDCL shall take further necessary action accordingly in this matter.

7. This order is issued with the concurrence of Finance Department vide their U.O.No. Fin U.O. No:FMU0PC(WR2)/ 2/2023(C.No.2031758), dated:28-3-2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The CMD, APRDMPDCL, Vijayawada
Copy to:
The Engineer-in-Chief (Irrigation), Vijayawada
The P.S. Hon'ble Minister (WRD), Finance (C&DM) Dept
The PS to Secretary, WRD, AP Secretariat.
The Chief Program Manager, REC Ltd., Vijayawada.
The Chief Program Manager, PFC Ltd., Vijayawada.

//Forwarded :: By Order //

SECTION OFFICER